FOR MYSORE STATE

Spdh. II-27—100,000—21-6-48.

Home (1948) Department.

II S SERIES. D. 4/8/

G.O. No. 2271

Dated 18 6 1948

[Despatch Abstract.]

ACT- The Madras City Police Act- 1888- Pathan Mondyloniore.
Control of Fugars - Enquiry.

From the Special Branch, Criminal Investigation Department

No.4839/C dated 12th November 1947.

To
The Chief Secretary to Government,

AFGHAN Or PATHAN MONEYLENDERS- Permission to stay in Madras Province.

A reference is invited to Home Department memorandum No. 50111-M/47-2 dated 12-8-47 regarding the question of Afghan or Pathan moneylenders being allowed to stay on in India.

2. Whenever we have received references from the Home Department in recent weeks asking whether certain Afghan moneylenders could be allowed to stay on in India, we have replied stating that it is inadvisable to permit them to do so in view of the present Communal situation in the country

3. I now enclose a list showing the approximate number of Pathan and Afghan moneylenders still in this Province. Apart from being a social menace on account of the encouragement they give to the poor to get into debt and the aggressive methods they generally employ to get back their dues, they are a potential source of danger in the present explosive communal situation of the country. I strongly recommend, therefore, that the question of issuing orders under section 2 (1) (b) of the Madras Maintenance of Public Order Act 1947 (Act I of 1947) directing all Afghan and Pathan moneylenders to remove themselves from the Province within three months from the date of issue of the order be considered.

Sd/ x x x x
(V.Ayyaswamy)
Superintendent of Police,
Special Branch C.I.D.

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ENCLOSURE.

Madras	Pathans	Afghans	No. of Afghans applications as reported by D.Ms.
Madras City	139	45	115
Anantapur District	23	-	Nil
North Arcot District	42	-	Nil
South Arcot District	4	-	8
Bellary	35	-	Nil
Chingleput	6	-	Not Known
Chittoor	-	-	Nil
Coimbatore	49	-	53
Cuddapah	3	2	2
East Godavari	39	-	Nil
West Godavari	13	-	1
Guntur	16	-	Nil
South Kanara	8	-	5
Kistna	16	-	Nil
Kurnool	11	-	1
Madura North	16	-	1
Madura South	-	-	-
Malabar	15	-	13
Nellore	13	-	Nil
The Nilgiris	12	-	4
Ramnad	-	-	Nil
Salem	6	-	Nil
Tanjore	8	-	1
Tinnevelly	8	-	Nil
Trichinopoly	35	-	12
North Vizagapatam	26	-	32
South Vizagapatam	37	-	

Sd/- V. Ayyaswamy

Superintendent of Police Special

Branch C.I.D.

From (Name) A.V.Patro Esq., MBE., I.P.,
Designation: Commissioner of Police,
Station:- Madras City

To
The Secretary to Government
Home Department,
Fort St.George, Madras.

No.2010/I.S/48 dated 1st May 1948.

Sir,

Sub: Pathan Money-Lenders- Control of-
Ref: Home Department Memorandum No.8880/P/48-2 dated 13th March 1948.

The Pathan money-lenders in the City include (a) Afghans and (b) Pathans who are British subjects. Action against the Afghans can be taken by the Government of India under the Foreigners Act by deporting them. Under the Indian Passports Act only prosecutions are possible on expiry of the periods of validity of visas. I suggest that the Govt-of India be requested to take necessary action to deport all Afghan money-lenders at present in this Provice on expiry of the period of notice given to them in this regard. It is also necessary that Afghans who arrive in the country in future should be carefully watched and the periods of their stay here restricted to the minimum.

2. As regards Pathan money-lenders who are British Subjects the position is admittedly difficult, particularly as the Government are averse to taking action under the Madras Maintenance of Public Order Act, 1947. The moneylenders cater to the needs of the middle and lower middle classes, particularly those who are in chronic debt or have developed vices. Such persons are eager to borrow secretly and on terms which are dictated by the Pathan money-lenders. Any legislation to regulate and control money-lending, particularly,by Pathans, by a system of licences, I am afraid, will be a failure as opportunities and means of evasion are many, the borrowing parties themselves prefer secrecy and the checking agencies will not have the means to discover the ramifications of the business.

3. At present there are more than 100 Afghans in the City and 72 Pathans who are British subjects. So far as the City is concerned individual Pathans who become a source of danger to the public can be expelled by me out of the City limits under Section 53-A of the City Police Act. This action, however, will only pass on the problem to the Districts and is not desirable to take except in extreme instances.

4. I have issued general instructions to the City Police to take necessary action under the ordinary provisions of law, like Section 75 of the City Police Act, in all possible instances against the Pathans in the City to restrict their undersirable activities to the minimum.

Sd/- x x x x
Commissioner of Police.

True Copy

Superintendent
Madras Record Office

JN/8/6

Public (Poll.B) Department.

Memo No.503/47-2 dated 29-1-48.

LAW AND ORDER- Maintenance- Afghan and Pathan money lenders- Expulsion.
Ref: From the Superintendent of Police, S.B. C.I.D No. 4839 C dated 12-11-47.

The Superintendent of Police, S.B., C.I.D., is informed that so far as Afghan money lenders are concerned, the question is under consideration in the Home Department.

2. The Government consider that it is not advisable to take action against the Pathan money lenders under the Madras Maintenance of Public Order Act, 1947.

Sd/- x x x
Asst. Secretary
5.12.37

To
The Superintendent of Police
S.B., C.I.D.,

True Copy

Home Department.

Memo No. 8880 P/48-2 dated 13-3-48.

PATHAN MONELENDERS- Control of

The Superintendent of Police, Special Branch, C.I.D has observed that apart from being a social menace on account of the encouragement they give to the poor to get into debt and the aggressive methods they generally employ to get back their dues, the Pathan Moneylenders are a potential source of danger in the present communal situation in the country. It is not possible to take any action under the Indian Passports Act or the Foreigners Act against the Pathan moneylenders who are British subjects and the Government have decided not to take action against them under the Madras Maintenance of Public Order, Act. 1947. The Commr. of Police is informed that the Government are examining the question of undertaking legislation to regulate and control moneylending by a system of licences . Meanwhile he is requested to say not later than

10-4-48 whether any action short of extermment or deportation can now be taken against Pathan moneylenders with a view to exercise a measure of control over them

Sd/- x x x
Asst. Secretary.
10-3-48

To
The Commissioner of Police, Madras.
(R.D. 11-4-48)

True Copy

Note File 2

From the Commissioner of Police No. 2010 / I.S 48 / Dated 1.5.48

This file is concerned with the question as to what action can be taken against the Pathan money lenders with a view to exercise a measure of control over them with reference to the minutes of H.Pr. on p.6 above. No action can be taken against the Pathan money lenders who are British subjects under the Indian Passports Act or the Foreigners Act. It has been considered ~~not~~ advisable to take action against them under the Madras Maintenance of Public Order Act of 1947. With reference to the orders at the bottom of p.7 ante. the Commr. of police was asked to state whether any action short of externment or deportation can be taken against the Pathan moneylenders.

2. The Commr. of Police states that so far Afghans are concerned, action can be taken against them by the Government of India under the Foreigners Act and that under the passports act only prosecutions are possible on expiry of the periods of validity of visas. The Commissioner therefore suggests that Govt. of India may be addressed to take necessary action to deport all Afghan moneylenders at present in this Province on expiry of the period of notice given to them in this regard. He adds that it is also necessary that Afghans who arrive in this country in future should be carefully watched and the periods of their stay here restricted to the minimum. As regards taking action to deport Afghan money lenders on the expiry of the period of notice, action is being taken in this Department separately. The Afghan money lenders have been permitted to remain in India till 30-9-48 and they have been warned that they will not be granted any further extension of stay and that they must make arrangements to leave the country before that date. The Commissioner of Police, Madras and all D.Ms have been asked to submit before 1-8-48 a report furnishing the names of those Afghans who have not made arrangements to leave India by 30-9-48. In the case of those Afghans who have already left India for Afghanistan, the British Legation, Kabul have been addressed not to grant them visas to re-enter India. Similar reference will ~~be made to the British Legation Kabul~~ in respect of those yet to leave as and when they leave India for Afghanistan. As regards the Commissioner's suggestion to restrict to the minimum the periods of stay of Afghans who arrive in India in future; separate action may be taken and the Government of India may be addressed in the matter.

3. As regards Pathan money lenders who are British subjects, the Commr. of Police states that the position is admittedly difficult and that any legislation to regulate and control money-lending, particularly by Pathans, by a system of licences, will be a failure, as opportunities and means of evasion are many, the borrowing parties themselves prefer secrecy and the checking agencies will not have the means to discover the ramifications of the business. He explains that these money lenders cater to the needs of the middle and lower middle classes, particularly those who are in chronic debt or have developed visas and that such persons are eager to borrow secretly and on terms which are dictated by the Pathan moneylenders. There are now 72 Pathans in the City. As to how far the control of these Pathan moneylenders can be tightened under the proposed Bill has been examined and necessary suggestions have been made in the top file which deals with the question of undertaking legislations to control the business of money lending by a system of licences.

4. As regards the power to expel individual Pathans out of the City vested in the Commissioner of Police under section 51A of the City Police Act, the Commr, states that such action will only pass on the problem to the districts and is not desirable to take except in extreme instances. The Commr. of Police states that he has issued General instructions to the City Police to take necessary action under the ordinary provisions of law, like section 75 of M.C.P. Act (Penalty for riotous or indecent behaviour in public places) in all possible instances against the Pathans in the City to restrict their undesirable activities to the minimum. The Commr. of Police has obvisouly no feasible solution to offer in the matter and his suggestions do not seem to take the Government any further to secure the objections in view. The result of legislation proposed in the top file may perhaps be examined after some time.

For orders.

The conclusion seems to be that beyond what is contemplated in the legislation proposed in the top file, nothing can be done to

~~indicate the~~ eradicate the menace. Though ~~as he~~ pointed out by the Commr. of Police, it will be impossible to root out the evil, The proposed legislation will certainly prove some check over the activities of Pathan money lenders.

Sd/- x x x
D.S
11-3-48

As regards Afghan, every effort is being made to send them away by methods falling short of adual deputation. If ~~merely~~ deputation necessary will also be resorted to, but it is a question of not merely provincial but of all-India significance.

As regards pathans, the steps contemplated in the top file are the best that we can devise to check their activities.

Sd/ x x x
S
14-5-48

Extract of Secretary's Note from the file bearing C.No.31259/P/48

The Afghan and Pathan money lenders have been a menace to the improvident borrowers and in future they are likely to be more so as law and order are breaking down in various pockets of the province. If we mean business, money lending by agencies of this kind should be discouraged. Money-lending except by recognised public institutions such as Banks, Nidhis etc, should be made an offence except under licence and executive instructions should issued- under rule-making powers, if it is possible, to licensing authorities not to grant licences to Pathans and Afghens who are not nationals of India. Attempts to achieve a measure of control over their high handedness otherwise are likely to prove futile.

O.P./ 17-5-48.

Please see the Secretary's note extracted above. The Development Department may see this file before it is closed.

Development Department

To
A.S

The Home Dept notes from "X" on page 15 above may be perused and the file returned to that department.

D.S.
29-5-48

Home Department.

This file is concerned with the question as to what action can be taken against the Pathan moneylenders with a view to exercise a measure of control over them with reference to the minutes of H.Pr. on p.6 above. No action can be taken against the Pathan money lenders who are British subjects under the Indian Passports Act or the Foreigners Act. It has been considered not advisable to take action against them under the Madras Maintenance of Public Order Act, 1947. The Commissioner of Police, who was consulted in the matter, states that the position as regards Pathan money lenders is admittedly difficult. He is not sanguine about the effect of any legislation to regulate and control money lending particularly by pathans by a system of licences. He adds that he has issued general instructions to the City Police to take necessary action under the ordinary provisions of law in all possible instances against the Pathans in the City to restrict their undesirable activities to the minimum. This Department consider that beyond what is contemplated in the legislation now under consideration in the Development Department. to regulate and control money lending by a system of licences nothing can be done to eradicate the menace, and that attempts to achieve a measure of control over the high handedness of these Pathan money lenders are likely to prove futile unless money lending by agencies of this kind is discouraged. This department also consider that money-lending except by recognised public institutions such as Banks, Nidhis etc., should be made an offence except under licence and that executive instructions should issue under rule making powers, if it is possible, to licensing authorities not to grant licences to Pathans and Afghans who are not nationals of India.

2. As regards Afghans, every effort is being made to send them away by methods falling short of actual deportation. If necessary, deportation will be resorted to, but it is a question of not merely provincial but of all India significance.

3. Development department have seen this file. No. further action seems called for and the papers may be recorded.

Sd/ x x x
D.S 2.6.48

G.O. Ms. 229/dated 18-6-48.

Act- The Madras City Police Act- Pathan money lenders- Contract of- Papers Recordd.

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The Government of India have now ruled that "Pathans or Afghasn" from the Tribal territory of the N.W.Frantier should also be treated as Foreigners and their entry-rinto India prohibited except on passports with regular visas. The difficulty is therefore reduced and will be felt only with regards to British subjects from the N.W. Frontier Province (administered districts) and British Baluchistan.

Sd/ x x x
S. 12-6

True Copy

Superintendent
Madras Record Office.